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Message Text

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10
ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 SS-15 SCA-01 EB-11 L-03 PRS-01

SCS-03 CIAE-00 INR-10 NSAE-00 RSC-01 PA-03 USIA-15

NSC-10 DRC-01 /118 W
---------- 057989
P R 110709Z SEP 73
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC PRIORITY 0524
INFO AMEMBASSY LONDON

C O N F I D E N T I A L TRIPOLI 1170

E.O. 11652: GDS
TAGS: PFOR ENRG CASC LY
SUBJECT: OIL COMPANY NATIONALIZATION: AMERICAN CITIZENS

REF: STATE 177811

1. OUR JUDGMENT ON WHETHER LARG WILL INVOKE ARTICLE 13 OF NATIONALIZATION DECREE REMAINS ESSENTIALLY AS STATED IN TRIPOLI 1071, PARAS 4 AND 5. THAT IS, THAT PROBABLY MOST AMCIT AND OTHER EXPATRIATE EMPLOYEES OF OIL COMPANIES COULD LEAVE ALMOST AS SOON AS THEY WOULD BE ABLE TO DO SO ANYWAY, BUT A FEW KEY PERSONNEL MAY BE HELD UP ADMINISTRATIVELY UNTIL ACCOUNTING REVIEWS AND TAX PROBLEMS ARE RESOLVED; MEANWHILE ALL DEPENDENTS COULD DEPART WITHOUT HINDRANCE. THIS IS ALSO THE GENERAL JUDGMENT OF THE MAJORS' MANAGERS HERE AND OF THE BRITISH AMBASSADOR.

2. NOT BY WAY OF QUALIFICATION BUT OF ADDITIONAL INFO, AND FOR WHAT IT MAY BE WORTH, EACH OF THE MANAGERS HAS BEEN ASSURED BY TOP OIL MINISTRY OFFICIALS, SPECIFICALLY U/S MUNTASSER AND IN AT LEAST ONE CASE MINISTER MABRUK, THAT MUCH AS LARG WOULD PREFER THE COMPANIES' EMPLOYEES STAY ON IN LIBYA, IF THE MAJORS PULL OUT THERE WOULD BE NO OBSTRUCTION TO THE DEPARTURE
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OF THEIR PERSONNEL. EXPERIENCE DEMONSTRATES THAT

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SUCH ASSURANCES ARE WORTHLESS IN THEMSELVES, HOWEVER
SINCERELY THEY MAY BE UTTERED AT THAT LEVEL IN THE
LARG. MORE IMPORTANT IS LARG'S RECORD IN ACTION. AS
PREVIOUSLY REPORTED, BP EXPATRIATES WERE NOT SERIOUSLY
HINDERED IN LEAVING. NO CASES HAVE ARISEN WITH OXY
AND OASIS (REFTEL PARA 4) AS THEY ARE NOT REDUCING
PERSONNEL. BUT ON SEVERAL OCCASIONS AMCIT BUSINESSMEN HAVE
BEEN HELD UP TEMPORARILY, I.E. NOT GIVEN EXIT VISAS, UNTIL
THEIR COMPANY HAS COMPLETED SOME ACTION OR UNDERTAKEN TO DO SO.
MOST SERIOUS OF THESE WAS THE CASE OF TMC EMPLOYEES STRANDED
HERE NOVEMBER-DECEMBER 1969 UNTIL LARG TRANSFERRED THE
UNFINISHED WORK ON THEIR CONTRACT TO ANOTHER AMERICAN
FIRM, ICAS.

3. AS ALTERNATIVE TO MAJORS' EXPERTISE, ASSUME LARG
WOULD PREFER A COMPREHENSIVE SERVICE CONTRACT WITH
SOME LARGE EUROPEAN OIL COMPANY. (JAPANESE WOULD
BE ANOTHER POSSIBILTY BUT THEIR CHARGE HERE DENIES
ANY APPROACH MADE OR LIKELY TO BE ACCEPTED.) DEPT MAY
KNOW BETTER, BUT WOULD ASSUME ENI-AGIP WOULD BE LEADING
CANDIDATE AND WOULD PROBABLY ACCEPT, WITH A FRENCH
FIRM OR TWO NOT FAR BEHIND.

4. IF FOR SOME REASON THAT ROUTE WOULD BE BLOCKED,
OR TAKE TOO LONG TO OPEN UP, BELIEVE LARG WOULD PUT
ON A CAMPAIGN TO CONTRACT EXPERTS AND EVEN MANAGERS
FOR ITS CHOSEN INSTRUMENT, THE NOC. VERY HIGH "SALARIES"
WOULD BE OFFERED, AND IN FACT WE ARE BEGINNING TO HEAR
RUMORS THEREOF. ALMOST ANY NATIONALITY WOULD DO, INCLUDING
U.S. WHILE THE GREAT MAJORITY OF THE AMERICAN MAJORS'
EXPERTS HERE ARE IN CAREER STATUS AND WOULD PRESUMABLY
LEAVE FOR OTHER JOBS WITH THE COMPANIES, THERE ARE
A FEW AMCITS AND MANY BRITISH, IN PARTICULAR, WHO ARE
ONLY ON CONTRACT. MANY OF THESE WOULD PROBABLY
STAY IF OFFERED ENOUGH.

5. PRODUCTION COULD BE EXPECTED TO DROP BY HALF OR
MORE, BUT THIS IN ITSELF WOULD NOT IMPEL LARG TO HOLD
THE MAJORS' EMPLOYEES IN COUNTRY AS HOSTAGES. BELIEVE
THE RCC IS QUITE PREPARED TO ACCEPT LOSS OF A FEW
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HUNDRED THOUSAND BARRELS A DAY WITHOUT RESORTING TO
ARTICLE 13.

6. CONCUR WITH DEPT'S VIEWS EXPRESSED PARA 2 REFTEL
AND CONTINGENCY PLANNING OUTLINED PARA 3. ALSO,
SIMPLY BECAUSE IT IS WISE TO PREPARE FOR THE WORST,
REQUEST LANGUAGE FOR A DEMARCHE OR NOTE STATING
REASONS WHY INTERFERING WITH FREEDOM OF TRAVEL IS

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CONTRARY TO INTERNATIONAL PRACTICE AND CONVENTIONS.
(RECALL THAT WE RECEIVED AND USED SUCH LANGUAGE IN
CONNECTION TMC-ICAS CASE MENTIONED ABOVE, BUT WE
NO LONGER HAVE IT ON FILE).
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